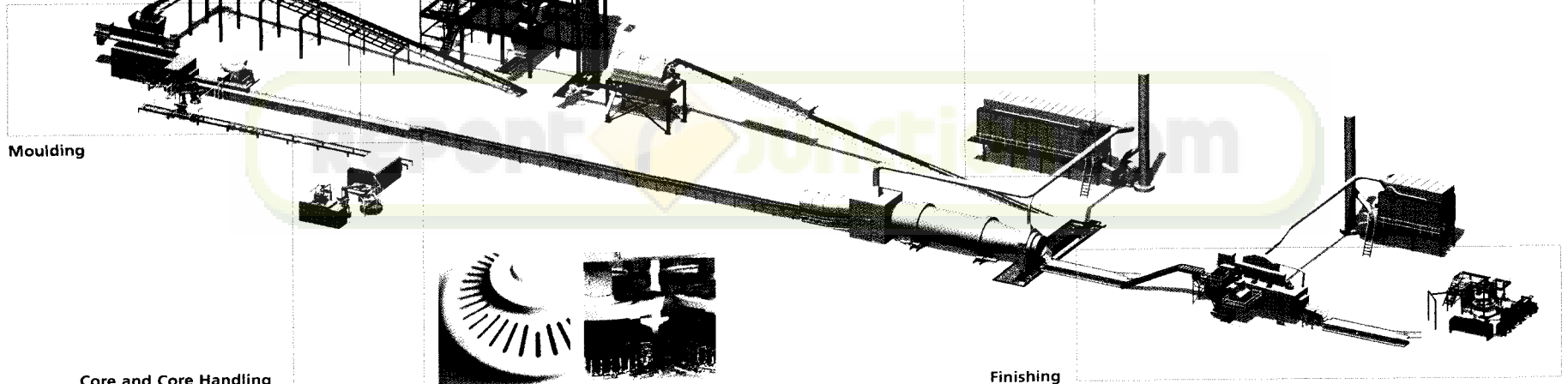


DISA

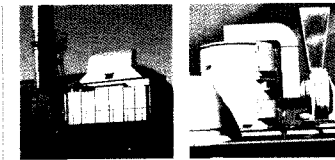
THE COMPLETE FOUNDRY



Moulding

Core and Core Handling

Filters



Finishing



BOARD OF DIRECTORS

KENT ARENTOFT
JAN JOHANSEN
LARS CHRISTENSEN
DEEPA HINGORANI
SANJAY ARTE
VIRAJ NAIDU

Chairman

Whole-time Director

BANKERS

CANARA BANK
STATE BANK OF INDIA
BANK OF MAHARASHTRA
THE BANK OF NOVA SCOTIA
HDFC BANK LTD.

REGISTRARS

Alpha Systems Pvt. Ltd.
30, Ramana Residency,
Ground Floor,
IV Cross, Sampige Road,
Malleswaram,
Bangalore - 560 003.
Ph: +91 80 23460815/816

REGISTERED OFFICE

5th Floor, Kushal Garden Arcade
1A, Peenya Industrial Area,
Peenya 2nd Phase
Bangalore 560 058
Ph: +91 80 4020 1400 to 04
(w.e.f. 9.3.2009)

Branches Telephone

PUNE : 020 - 26152503 DELHI : 011 - 26411123
KOLKATTA : 033 - 22805570

STOCK EXCHANGES

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 400 001

National Securities Depository Limited
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
MUMBAI - 400 013

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
28th Floor, Dalal Street
MUMBAI - 400 023

AUDITORS

M.K. Dandekar & Co.
Chennai

SOLICITORS

Chander Kumar & Associates
Bangalore

WORKS

Foundry Machinery Division:
28-32, Satyamangala Indl. Area,
Tumkur - 572 104.

Clean Air Division:
50, KIADB Industrial Area,
Hosakote - 562 114.

Customer Support:
Kushal Garden Arcade,
1A, Peenya Industrial Area 2nd Phase,
Bangalore - 560 058.

DISA INDIA LIMITED**NOTICE**

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of DISA INDIA LIMITED, will be held at 11.30 hrs on Friday, the 24th April 2009 at The Atria Hotel, # 1, Palace Road, Bangalore – 560 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 2008 and the Profit and Loss Account for the year ended on that date, together with Reports of the Board of Directors and the Auditors thereon.
2. To elect a Director in place of Mr. Jan Johansen, who retires by rotation and is eligible for reappointment.
3. To elect a Director in place of Mr. Lars Christensen, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

For DISA India Limited

Date: 24.02.2009

Place: Bangalore

Viraj Naidu

President & Whole Time Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than forty-eight hours before the meeting.
2. The Register of Members and the Share Transfer books of the Company will remain closed from 17th April 2009 to 24th April 2009 (both days inclusive).

3. The shares of the Company are now traded compulsorily in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to demat their shares.
4. Members are requested to communicate the changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, Alpha Systems Pvt. Ltd. 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bangalore-560 003.
5. Under Section 205A of the Companies Act, 1956, the amount of Dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.
6. In view of the above, members who have not encashed the Dividend warrant(s) so far for any of the Dividends declared earlier, are requested to make their claims to the Company immediately. Please note that as per Section 205-C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund, in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.
7. Investors are requested to utilize ECS facility to enable transfer of Dividends directly to the bank account of eligible shareholders whenever the Company declares Dividend.
8. The Registered Office will be shifted to 5th Floor, Kushal Garden Arcade, 1A Peenya Industrial Area, Peenya 2nd Phase, Bangalore 560 058 with effect from 9.3.2009.

By Order of the Board

For DISA India Ltd

Date: 24.02.2009

Place: Bangalore

Viraj Naidu

President & Whole Time Director

DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the 24th Annual Report and Audited statement of Accounts for the year ended 31st December 2008 together with the Auditors' Report.

FINANCIAL RESULTS

(Rs.in '000)

Description	2008	2007
Sales & Service	859,288	933,616
Profit before depreciation, tax & financial charges	205,757	293,135
Less: Depreciation	16,970	14,240
Less: Interest	5,595	4,852
Less: Provision for taxation (net of deferred tax)	63,486	92,335
PROFIT AFTER TAXATION	119,706	181,708
Add: Profit & Loss account Balance b/fd	16,094	198,730
PROFIT AVAILABLE FOR APPROPRIATION	135,800	380,438
APPROPRIATION:		
Proposed Dividend & Tax thereon	-	353,552
Transfer to General Reserve	-	18,171
Deferred Tax written back	-	7,379
Balance in Profit & Loss Account	-	16,094

DIVIDEND

In view of the drop in performance and continuing difficult market conditions, there is a clear need to preserve cash resources. Hence your Directors do not recommend Dividend for the year ended 31st December 2008.

PERFORMANCE OF THE COMPANY

The year 2008, was a challenging year for your Company. Fresh order intake slowed considerably and execution of orders on hand suffered as many customers delayed projects, due to poor funding availability in the market. Compared to previous year 2007, Sales in the year 2008 went down 8% and Operating Profit (PBDIT) went down 30%.

The impact of the steep increase in the steel and commodity prices in the first half of the year – though partly offset through a range of margin improvements actions, on bought-outs and value engineering projects – was visible, as the material cost still went up by 0.5% bp.

This was followed by the extreme steep and deep downturn in the second half of the year and the resulting impact could not be offset even after significant cuts in the fixed costs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The year 2008, was a turbulent one for the World and Indian

economies. The steep increase in Steel and Commodity prices - in the first half of the year - seriously eroded margins of Foundry Industry (which remains the company's major target customer segment). By the time the steel & commodity prices stabilized, the world economy saw the unprecedented collapse of the financial sectors – especially in the last quarter. The Indian economy was not isolated and the money markets choked, with all banks adopting extreme caution in lending.

This external environment had strong impact on the Capital Equipment Industry – like your Company – as the Fresh Order Intake came down sharply. The Total Order Intake in the year 2008, for your Company, was Rs.70 Crores – indicating a significant drop of 33% on the Order Intake of Rs.104 Crores in Y2007.

The decline was across all the Product Offerings – Moulding, Shot Blast & Filters. The Spares / Services business grew by 27%, as the Company continued to focus on this area for increasing penetration and the effect of increased installed base in the recent years.

Both the expansion projects at Tumkur (972sqm) & Hosakote (2025sqm) – started in Q4-2007 – were completed and gave your Company the flexibility to bring back the high cost outsourcing activities, so as to have a better control on margins & quality.

The first order for the New Flex 80 Project was received, and this is expected to be delivered in the year 2009. This product opens up a new size segment for your Company in the High Pressure Moulding Lines using Horizontal Flask System.

In the slowing economy, your Company has taken many initiatives to bring down the fixed costs. Headcount is under strict control and Training and HR initiatives are driving skill enhancements for higher productivity across all functions.

With the lower opening Order Backlog for Y2009, the current focus is mainly on cost control and reducing inventory and receivables.

The Company has adequate internal control systems as part of the Management Information System in place. Regular Audits are being conducted on all fronts by the Statutory and Internal Auditors.

GROUP COMPANIES

Persons constituting Group coming within the definition of "Group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969 include the following:

Sr.no	Name of the Company
1	DISA Holding A/S, Denmark
2	DISA Holding II A/S, Denmark
3	DISA Holding AG, Switzerland
4	DISA Holding Corporation, Oswego
5	DISA Industrieanlagen GmbH, Germany

DISA INDIA LIMITED

- 6 DISA Industries A/S, Denmark
- 7 DISA Industries AG, Switzerland
- 8 DISA Industries Oswego, USA
- 9 DISA Industries s.r.o., Czech Republic
- 10 DISA Industries UK Limited, UK
- 11 DISA K K, Japan
- 12 DISA Limited, Hong kong
- 13 DISA Machinery Limited, China
- 14 DISA Trading (Shanghai) Co Limited
- 15 DISA Technologies Private Limited, India
- 16 GF DISA England Limited, UK

CORPORATE GOVERNANCE

In compliance with the requirements of Stock Exchanges, your Board has adhered to the Corporate Governance Code. All the requisite Committees are functioning in line with the guidelines and on operational need basis.

As reported earlier, a reputed firm of independent Chartered Accountants has been carrying out the responsibilities of Internal Auditors and periodically they have been reporting their findings on systems, procedures and management practices. A separate note on Corporate Governance is included in this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm as follows:

- (a) The Statement of Accounts has been prepared in conformity with appropriate Accounting Standards.
- (b) Accounting policies have been selected and consistently applied so as to give a true and fair view of the financial statements. Change in Accounting Policy and its impact on financial statements are disclosed separately as required under relevant Accounting Standards.
- (c) Internal controls are in place to provide reasonable assurance and reliability of the accounting records and to safeguard the assets of the Company and also to detect fraud and other irregularities, if any.

A reputed independent accounting firm acts as Internal Auditors of your Company and they conduct regular audits.

- (d) The Directors are satisfied that the Company has enough resources to carry on business and therefore have finalized the accounts as a going concern.

CONSERVATION OF ENERGY

Your Company gives high priority for conservation of energy through better supervision and training of employees to economize the usage of electricity.

RESEARCH AND DEVELOPMENT, TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATION

Your Company has been continuously seeking and

adapting new technology from principals in order to develop skills locally and meet specific needs of Indian and global customers.

Personnel at all levels are routinely sent to Principals' factories and design offices abroad for training and updating their skills.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW

The Company earned **Rs.51.3** Million in foreign exchange and expended **Rs.300.14** Million in foreign exchange during the year under review.

INDUSTRIAL RELATIONS

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

PERSONNEL

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975 are given in the Annexure forming part of the Report.

DIRECTORS

During the year, there was no change in the constitution of the Board of Directors.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jan Johansen and Mr. Lars Christensen retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

AUDITORS

The Auditors, Messrs. M. K. Dandeker & Co., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting. The Company has received a certificate under Section 224 -1(B) of the Companies Act, 1956 from Messrs. M. K. Dandeker & Co., Chartered Accountants, Chennai that their appointment would be within the limits specified therein.

Your Directors recommend their appointment.

ACKNOWLEDGEMENT

The Directors place on record their deep appreciation for valuable contribution made by employees at all levels, active support and encouragement received from Government of India, Government of Karnataka, Company's Bankers, Customers, Principals and Business Associates.

Your Directors also recognize the continued support extended by all the Shareholders and gratefully acknowledge with a firm belief that the support and trust will continue in the future also.

For and on behalf of the Board of Directors

Place: Bangalore
Date: 24.02.2009

Kent Arentoft
Chairman

ANNEXURE TO DIRECTORS' REPORT (Year ending 31 Dec 2008)**STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956**

SL. No.	Name & Age	Qualification	Date of commencement of employment (Exp. in years)	Designation/ Nature of duties	Gross Remuneration Rs.	Particulars of last employment held before joining the Company
1	Jagadish A Kulkarni 44 years	B.E. (Mech)	25/02/1991 (22)	Vice President - Sales & Marketing - FSB	2,373,208	Bemco Hydraulics Application Engineer
2	Joydip Ghosh 44 years	M.Tech, MBA	25/4/2007 (21)	Vice President - Filters Business & HK Operations	2,592,591	Timken Engineering & Research Pvt Ltd Program Manager
3	S.Mohan 51 years	B.Sc,ACA, AICWA	23/6/2004 (31)	Chief Financial Officer	3,213,171	Encore Software Limited Chief Financial Officer
4	Viraj Naidu 40 years	B. Tech (Hons)	22/1/2007 (17)	President & Whole Time Director	5,335,906	Tata Autocomp Systems Ltd Interiors & Plastic Division. Chief Operating Officer

- Notes : 1. Gross remuneration as above includes Basic salary, contribution towards Provident Fund, Superannuation, Insurance premium, Bonus, House Rent Allowance & monetary value of perquisites.
2. None of the above employees are related to any of the other Directors of the Company.
3. Conditions of employment are governed by individual terms and conditions of service.



DISA INDIA LIMITED**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance**

DISA India Limited has been adhering to many aspects of Corporate Governance even before Clause 49 of the Listing Agreement with the Stock Exchange became applicable to the Company. As a part of DISA Group worldwide, the Company follows good practices of transparency and disclosure in its reporting. The Company is firmly committed to Corporate Governance and to meet the expectations of its stakeholders in matters related to trusteeship, integrity, ethical and legal standards.

2. Board of Directors:**(a) Composition & Size of the Board**

As on date, the Board comprises of Six Directors including Five non-Executive Directors. The Directors have a mix of rich Corporate experience and in-depth knowledge of the business.

Category	Names of Director	Number of Directors	Composition	Relationship with other Directors	No. of other Directorships	Memberships of other Board Committees
Non-Executive & Independent		2	33.33			
	Deepa Hingorani			None	8	-
	Sanjay Arte			None	9	2
Non-Executive		3	50.00			
	Kent Arentoft			None	14	-
	Jan Johansen			None	14	-
	Lars Christensen			None	14	-
Executive Director		1	16.66			
	Viraj Naidu			None	Nil	-
	Total	6	100%			

(b) Number of Board Meetings held during the year along with the dates of the Meetings
Four Board Meetings were held during the year on the following dates :

16th February, 23rd April, 18th July, 29th October 2008

(c) Attendance of each Director at the Board Meeting, Annual General Meeting (AGM) and the number of Companies and Committees where he is Director/Member .

Name of Director	Category of Directorship	No. of Board Meetings attended	Whether Attended last AGM	No. of Directorships in other Companies incorporated in India	No. of Committee membership Members/Chairman in other companies in India
Kent Arentoft	Chairman	2	Yes	Nil	Nil
Jan Johansen	Director	3	Yes	Nil	Nil
Lars Christensen	Director	Nil	No	Nil	Nil
Deepa Hingorani	Director	4	Yes	6	Nil
Sanjay Arte	Director	4	Yes	8	2
Viraj Naidu	Executive Director	4	Yes	Nil	Nil

Note : The Directors participate through video conferencing facility in case of inability to participate in person.

3. Audit Committee

The Audit Committee is responsible for over-viewing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the statutory and internal auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board. The Internal Auditors and Statutory Auditors attend the meetings of the Audit Committee, by invitation.

Meetings and the attendance during the year

The Committee met **four times** during the year on the following dates:

15th February, 23rd April, 18th July and 29th October - 2008

The attendance of each Member of the Committee is stated below:

Name of Director	No. of Meetings attended
Deepa Hingorani	4
Kent Arentoft	2
Sanjay Arte	4

4. Remuneration Committee

The Company has set up a Remuneration Committee, firstly to determine and review the Remuneration and Bonus of the Executive/Managing Directors and secondly to review policy issues relating to Remuneration and Bonuses of Senior Managers.

Meetings and the attendance during the year

The Committee met once during the year on the following date:

23rd April 2008

The attendance of each Member of the Committee is stated below:

Name of Director	No. of Meetings attended
Kent Arentoft	1
Jan Johansen	1
Deepa Hingorani	1
Sanjay Arte	1

5. Shareholders' Committee

The Board has constituted a Shareholders' Grievance and Investor Relations Committee to approve share transfers, transmissions, transposition of name, issue of split/duplicate certificates, ratify confirmations made to the demat requests received by the Company and review the status report on redressal of shareholders' complaints received by the Company/ share transfer agents.

The Committee comprising of Ms.Deepa Hingorani, Mr.Sanjay Arte and Mr.Viraj Naidu met 7 times during the year on the following dates :

29th February, 2nd April, 20th June, 21st July, 29th September, 17th November, 3rd December 2008

Name of Director	No. of Meetings attended
Deepa Hingorani	0
Sanjay Arte	7
Viraj Naidu	7

There were (March Qtr-1, June Qtr-9, September Qtr-7, December Qtr-1) 18 complaints received and redressed during the year ended 31st December 2008. There was no pending share transfer as on 31-12-2008.

6. Remuneration paid to Directors

The details of remuneration paid to the Directors during the year 2008 are given below:

a) President & Whole Time Director

(in Rs.)

Name	Salary	Performance Bonus	Perquisites	Sitting Fees	Total
Mr. Viraj Naidu	45,261,651	774,255	-	-	53,35,906

c) Non-Executive Directors

(in Rs.)

Name	Sitting fees INR	Commission for the year 2007 (paid in 2008)
Kent Arentoft	40,000	529,000
Jan Johansen	40,000	207,000
Lars Christensen	0	207,000
Deepa Hingorani	90,000	207,000
Sanjay Arte	0	0
Total	170,000	1,150,000

Note: Owing to the terms of his present assignment, Mr. Sanjay Arte has declined to accept any compensation from the Company.

7. Name, designation & address of Compliance Officer

Mr S Mohan
Chief Financial Officer
DISA India Limited
5th Floor, Kushal Garden Arcade
1A, Peenya Industrial Area, Peenya 2nd Phase
Bangalore 560 058

E-Mail: investor.relations@disagroup.com
Phone: +91 80 4020 1406
Fax : +91-80-2839 1661

The Company has fulfilled all the compliance requirements under the listing agreements as regards the Shareholders' Grievance and Investor Relations Committee.

8. General Body Meetings

Location and time of the last three Annual General Meetings

Year	Date	Venue	Time
2005	02-05-2006	Registered Office of the Company	1130 Hrs
2006	18-04-2007	Chancery Hotel, Lavelle Road, Bangalore-560 001	1100 Hrs
2007	23-04-2008	Chancery Hotel, Lavelle Road, Bangalore-560 001	1130 Hrs

9. Disclosures

Transactions with the related parties are disclosed in Schedule 18 to the Accounts in the Annual Report.

The Register of Contracts containing the transactions, in which Directors are interested, is placed before the Board.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

10. Means of Communication

The Quarterly & Half Yearly results are published in national and local dailies such as Business Standard (in English) and Sanjevani (in Kannada) and also are displayed on SEBI website, and hence are not individually sent to the shareholders.

11. General Information to Shareholders

a) AGM : Date: 24th April, 2009

Time: 11:30 Hrs

Venue: The Atria Hotel, # 1, Palace Road, Bangalore 560 001

Financial year : January to December 2008

Date of Book Closure: 17.04.2009 to 24.04.2009

Listing on Stock Exchanges: Mumbai. Stock code is 500068 in the Mumbai Stock Exchange.